

# **EXHIBIT 2**

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

- - -

MATTHEW J. ANGLE, :  
Individually and on :  
Behalf of All Others :  
Similarly Situated, :  
Plaintiff, :

vs. :

UTI WORLDWIDE, INC., :  
et al., :

Defendants.: 2:14-cv-02066-CBM-E

- - -

Wednesday, January 31, 2018

- - -

Video-recorded deposition of CYNTHIA L.  
JONES, taken pursuant to notice, held at the  
Law Offices of Cravath, Swaine & Moore LLP,  
Worldwide Plaza, 825 Eighth Avenue, New York,  
New York, 10019, commencing at 9:59 a.m., on  
the above date, before Jennifer P. Miller,  
RPR, CCR, CRR #30X100234100 and Notary Public.

Job No. 136932

A P P E A R A N C E S:

FEDERMAN & SHERWOOD

WILLIAM FEDERMAN, ESQUIRE

10205 N. Pennsylvania Avenue

Oklahoma City, OK 73120

Counsel for Plaintiff

CRAVATH, SWAINE & MOORE

MARGARITA BOTERO, ESQUIRE

ISAAC CHAPUT, ESQUIRE

Worldwide Plaza

825 Eighth Avenue

New York, NY 10019

Counsel for Defendants

ALSO PRESENT: Kevin Marth, Videographer

Robin Hester, Paralegal

1 THE VIDEOGRAPHER: Good morning.

2 This marks the start of media label  
3 number one of the video-recorded  
4 deposition of Cynthia L. Jones in the  
5 matter of Matthew J. Angley, Individually  
6 and on Behalf of All Others Similarly  
7 Situated, versus UTi Worldwide, Inc. et  
8 al. in the United States District Courts  
9 for the Central District of California,  
10 Western Division.

11 The deposition today is being held  
12 in the offices of Cravath, Swaine & Moore  
13 in New York, New York on January 31st  
14 2018 at approximately 9:59 a.m. My name  
15 is Kevin Marth. I'm the Legal Video  
16 Specialist from TSG Reporting, Inc.,  
17 headquartered at 747 Third Avenue in New  
18 York, New York. Our Court Reporter today  
19 is Jennifer Billstein-Miller, also in  
20 association with TSG Reporting. At this  
21 time would counsel please identify  
22 themselves for the record.

23 MR. CHAPUT: Isaac Chaput with  
24 Cravath, Swaine & Moore, LLP on behalf of  
25 Defendants.

1 MS. BOTERO: Margarita Botero with  
2 Cravath, Swaine & Moore on behalf of  
3 Defendants.

4 MR. FEDERMAN: William B. Federman,  
5 Federman & Sherwood, on behalf of the  
6 Plaintiff.

7 THE VIDEOGRAPHER: At this time  
8 would the Court Reporter please swear in  
9 the witness so we may proceed.

10 - - -

11 CYNTHIA L. JONES, after  
12 having been first duly sworn, was  
13 examined and testified as follows:

14 - - -

15 E X A M I N A T I O N

16 - - -

17 BY MR. CHAPUT:

18 Q. Good morning, Ms. Jones.

19 A. Good morning.

20 Q. Would you please state your full  
21 name for the record.

22 A. Cynthia L. Jones.

23 Q. Do you go by any other names?

24 A. Yes, my legal name is recently  
25 changed -- has recently changed because of

1 marriage. My last name is Melillo,  
2 M-E-L-I-L-L-O.

3 Q. Would you please state your business  
4 address for the record.

5 A. Sure, it's 5 Penn Plaza, New York,  
6 New York, 10002.

7 Q. Have you ever been deposed as an  
8 expert before?

9 A. Yes.

10 Q. On how many occasions?

11 A. Three.

12 Q. And have you been deposed as an  
13 expert in any cases other than those that are  
14 listed in your expert report in this case?

15 A. No.

16 Q. You understand that you're under  
17 oath and that your testimony today is being  
18 videotaped?

19 A. Yes.

20 Q. If you don't understand any  
21 questions or need me to repeat anything,  
22 please let me know, otherwise I'll assume that  
23 you understood my question; is that fair?

24 A. Yes.

25 Q. Please make sure to give all of your

1           A.     You're characterizing it as the  
2     event study. Whereas, there was also an  
3     analysis of events separate and apart from the  
4     analysis that's set forth beginning in  
5     paragraph 65.

6           Q.     Are you referring to the examples of  
7     statistically significant abnormal return days  
8     that you explain in paragraph 80?

9           A.     Yes.

10          Q.     But apart from those examples, the  
11     methodology you performed for your primary  
12     event study is the one that starts in  
13     paragraph 65, correct?

14          A.     You're characterizing it as the  
15     primary event study. Other than using the  
16     word "the primary event study," I agree with  
17     that statement.

18          Q.     And you state that the premise  
19     behind this analysis is set forth in the  
20     Ferrillo article in the St. John's Law Review;  
21     is that right?

22          A.     Yes, yes.

23          Q.     Is the premise behind this analysis  
24     set forth in any economic publications that  
25     you're aware of?

1           A.     Not that I can cite to, but it is  
2     certainly often described in financial and  
3     economic literature.

4           Q.     And the Ferrillo authors state that,  
5     while this test addresses the question of  
6     whether the stock responds to news, it does  
7     not answer the question about whether the  
8     response is of the correct magnitude.  
9     Therefore, this step is a threshold step, not  
10    a sufficient condition, to show that a stock  
11    traded in an efficient market.

12                   Do you recall having read that?

13          A.     Yes.

14          Q.     What do you think that means?

15          A.     Can I have a copy of the article?

16                   MR. CHAPUT:   Absolutely.

17                   -   -   -

18                   (Whereupon, Exhibit 102 was  
19     marked for identification.)

20                   -   -   -

21                   THE WITNESS:   Can you just point me  
22     to the page?

23    BY MR. CHAPUT:

24                  Q.     Absolutely.   That quote is on Page  
25     122.



1           A.     Oh, sure, yes. So I believe what  
2     they're saying here is it is one way to  
3     demonstrate that the market is informationally  
4     efficient; that it responds to new  
5     information.

6                     It doesn't, however, answer the  
7     question of whether or not a stock may have  
8     overreacted, so to speak, or underreacted to  
9     certain information. So that's more of a --  
10    the context of value rather than does the  
11    stock respond to information. Is it  
12    informationally efficient, which is the  
13    premise behind the semi-strong form of the  
14    efficient market hypothesis.

15          Q.     So when it says this test is a  
16    threshold step, not a sufficient condition, to  
17    show that a stock traded in an efficient  
18    market, it's your opinion that that means that  
19    this test does show that the stock traded in  
20    an efficient market?

21          A.     It shows the stock is  
22    informationally efficient, it responds to new  
23    information, yes.

24          Q.     Is informational efficiency the same  
25    as market efficiency?

1           A.     So market efficiency in terms of a  
2     legal context like in a securities litigation  
3     is -- has different aspects to it. There are  
4     different indicators of it.

5                     Price response to information  
6     is informational efficiency or shows  
7     informational efficiency. So it is a  
8     component of what courts typically look at in  
9     assessing overall market efficiency.

10          Q.     So this test is a component that  
11     help -- that helps show potentially market  
12     efficiency, but it doesn't prove market  
13     efficiency in and of itself?

14          A.     I would agree with that.

15          Q.     In your report, you state that in  
16     markets that are semi-strong efficient  
17     securities prices reflect all publicly  
18     available information; do you recall that?

19                     It's paragraph 18 if you'd like  
20     to look.

21          A.     Thank you.

22                     I would agree with that.

23          Q.     Conceptually, that means that any  
24     time a new piece of firm-specific information  
25     enters the market, the stock price will react

1 to it; is that correct?

2 A. No.

3 Q. Why not?

4 A. More often than not, when  
5 information enters the market about a company,  
6 it is consistent with what the investment  
7 community expects, and therefore, it doesn't  
8 change the stock price.

9 Q. So information that is consistent  
10 with the investment community's expectations  
11 does not impact the stock price?

12 A. Generally.

13 Q. So, when you say that security  
14 prices reflect all publicly available  
15 information, what do you mean if it's not that  
16 the stock price react to new firm-specific  
17 information?

18 A. There can be an equilibrium with  
19 regard to the price, which reflects -- it's a  
20 mosaic, so it reflects all of the information  
21 that's in the market about a security.

22 Generally, when that  
23 equilibrium is disrupted by something that is  
24 new, unexpected, whether it be positive or  
25 negative, is when you see some kind of change

1 in the price. And certainly, all security  
2 prices have some random fluctuation associated  
3 with them, so that's not what I'm referring  
4 to.

5 Q. So, if stock prices don't react to  
6 all publicly available information, what  
7 publicly available information do they react  
8 to?

9 A. I think I just explained that when  
10 new information enters the market that  
11 disrupts the equilibrium because it is  
12 unexpected, whether it be positive or  
13 negative, the stock price would react possibly  
14 to that type of information.

15 Q. And how do you determine whether a  
16 piece of information is consistent with  
17 expectations as opposed to disruptive of the  
18 equilibrium you've described?

19 A. Can you be more specific?

20 In other words, how do I  
21 determine when and for what purpose?

22 Q. Well, let's say that a piece of  
23 information comes out and there's a change in  
24 the stock price, whether they're positive or  
25 negative. Do you have a way of determining

1 whether that change in the stock price is  
2 actually the result of the piece of  
3 information; that is, the piece the  
4 information was disruptive, versus that change  
5 in the stock price was random?

6 A. One of the ways to make that  
7 determination is to review the contemporaneous  
8 commentary news articles, analyst reports.

9 Q. Would you find evidence of market  
10 efficiency if the stock price only reacted to  
11 new information 11 percent of the time?

12 A. Say that again?

13 Q. Would you find evidence of market  
14 efficiency if the stock price for a particular  
15 company reacted to new information only  
16 11 percent of the time?

17 A. I think it's too general. I think  
18 that I would have to study, you know, over  
19 what period of time, what type of information  
20 is coming out. There are a host of factors  
21 that would go into an opinion as to whether or  
22 not that may be indicative of an efficient  
23 market.

24 Q. So you would have to determine  
25 whether or not the news was material; is that

1 fair?

2 A. Not necessarily. So it would depend  
3 on what -- what type of news it is. It would  
4 depend on whether it was entirely unexpected  
5 information. It would depend on a host of  
6 things that I can't answer generally is a  
7 number indicative of market efficiency or is a  
8 percent indicative of market efficiency.

9 So, you know, in this case,  
10 there are two samples. And statistical  
11 sampling is very common in economics. And so  
12 there are two samples; there's a sample of  
13 days when news enters the market, there's a  
14 sample of days when there's no news.

15 And the methodology is to  
16 compare the likelihood of a statistically  
17 significant price change in the sample with  
18 news versus no news. And you make that  
19 statistical comparison and you test the  
20 difference. So, in isolation, you wouldn't  
21 form a conclusion about a certain percentage  
22 of days being -- you know, resulting in a  
23 price change.

24 Q. So we were discussing just a minute  
25 ago the fact that markets don't necessarily

1 MR. FEDERMAN: We've been going  
2 about an hour or so. If you guys want to  
3 take a break at any convenient point, let  
4 me know.

5 MR. CHAPUT: Now is a fine time for  
6 me to take a break.

7 MR. FEDERMAN: Okay. Great.

8 MR. CHAPUT: We can go off the  
9 record.

10 THE VIDEOGRAPHER: This marks the  
11 end of tape number one. We're going off  
12 the record at 11:05 a.m.

13 - - -

14 (Whereupon, a short recess  
15 was taken.)

16 - - -

17 THE VIDEOGRAPHER: This is the start  
18 of tape number two. We're back on the  
19 record at 11:13.

20 BY MR. CHAPUT:

21 Q. In performing your event study in  
22 this case, you identified 36 news days; is  
23 that right?

24 A. Yes.

25 Q. And then you found that UTi's stock

1 price responded to your identified news on  
2 four days and did not respond on the remaining  
3 32 days; is that right?

4 A. Yes.

5 Q. Did you evaluate the direction of  
6 the price reaction on those four days?

7 A. No.

8 Q. If on each of the four days that  
9 there was a price reaction, if the stock price  
10 moved in a direction that was opposite to what  
11 the news would suggest, would your test still  
12 find that the market was efficient?

13 A. The test is not limited to just  
14 looking at the number of news days -- I'm  
15 sorry, the number of statistically significant  
16 price reactions on news days. It is in  
17 comparing two samples of data. So I just  
18 wanted to correct -- correct that, that is not  
19 an entire analysis. So I wouldn't draw any  
20 conclusion.

21 Q. But if on each of those four days  
22 with a statistically significant price  
23 reaction the stock price moved in a direction  
24 that was opposite to what the news would  
25 suggest, would your test still find that the



1 market was efficient?

2 MR. FEDERMAN: Object to the form of  
3 the question.

4 THE WITNESS: Just to clarify, you  
5 said what the news would suggest. So,  
6 hypothetically, there is some information  
7 that hits the market and, you know, three  
8 analysts say, oh, my gosh, this is  
9 terrible for the stock, we can't believe  
10 this, you know, negative news, came out  
11 of nowhere, we're shocked, and the price  
12 goes up by 20 percent, I would think that  
13 was odd.

14 BY MR. CHAPUT:

15 Q. But you did not evaluate in this  
16 case whether the stock price on those four  
17 statistically significant price reaction days  
18 responded in the direction that you would  
19 expect based on the announcement that was  
20 made?

21 A. Two of the four are mentioned later  
22 in my report as events that I specifically  
23 looked at. So, in that context, yes, I did.

24 Q. And did you look at the other two of  
25 the four events in a similar analysis?

1           A.     Generally. I didn't perform a  
2     separate analysis. But generally, I'm  
3     familiar with the nature of the news and the  
4     direction of the price change.

5           Q.     And was the direction of the price  
6     change for those two that aren't specifically  
7     looked at in your report consistent with the  
8     nature of the news?

9           A.     I don't recall.

10          Q.     How important is it for an event  
11     study to use an objective and replicable  
12     methodology?

13          A.     Certainly, the methodology is  
14     standard. However, the application of any  
15     event study is subject to the different facts  
16     and circumstances presented and the problem,  
17     so to speak, that you are asked to solve or  
18     analyze.

19                     So, in terms of, you know, core  
20     event study methodology, it would be important  
21     to stick to the standard. In terms of the  
22     application, the application really is  
23     accustomed, you know, to whatever facts and  
24     circumstances are presented to you.

25          Q.     How important is it for the

1 application of an event study that's tailored  
2 to the facts and circumstances to use an  
3 objective and replicable methodology?

4 A. It would be consistent with my  
5 practice to set forth an objective standard or  
6 an objective set of criteria in applying an  
7 event study methodology.

8 Q. And is the purpose of using that  
9 objective set of criteria to ensure that the  
10 methodology is unbiased?

11 A. I'm not sure necessarily that  
12 setting forth an objective criteria guarantees  
13 that the application is unbiased.

14 Q. Does -- go ahead.

15 A. If I might elaborate on that?

16 An example would be, let's say,  
17 I'm looking at a short time frame and I know  
18 ahead of time that during this period there  
19 are, you know, two alleged corrective  
20 disclosures related to earnings announcements  
21 and my objective selection criteria is to just  
22 isolate earnings announcements, that is a  
23 replicable objective criteria for selecting  
24 events of interest. However, I'm not sure,  
25 because I know ahead of time, that those are

1 corrective -- alleged corrective disclosures  
2 and there's a large price reaction, I'm not  
3 sure that doesn't bias my results.

4 Does that make sense?

5 Q. It does. So what kinds of  
6 safeguards can you use to ensure then that the  
7 methodology is unbiased?

8 A. Again, there are many ways to  
9 implement an event study, so there are many  
10 ways that you can design a model and a  
11 procedure to select your events of interest.

12 What I have done here is to  
13 include the Bloomberg news that mentions or is  
14 about UTi and the analyst reports that were  
15 issued during the perspective class period by  
16 analysts that were following the company at  
17 the time.

18 Q. How did you determine what  
19 constituted a news versus no news day?

20 A. Well, a no news day did not have  
21 either a Bloomberg news article or an analyst  
22 report published.

23 Q. I think you told me earlier, though,  
24 that there were results from your Bloomberg  
25 search that you excluded from your event

1 chronology?

2 A. Yes, there were.

3 So UTi was acquired by a  
4 company called DSV, and one of the attributes  
5 that is not so enduring of Bloomberg news is  
6 when you search the archived news for UTi, it  
7 also includes all news about DSV. So those  
8 are the articles that I excluded.

9 Q. Were there any other articles that  
10 mentioned UTi that were in that search that  
11 you also excluded?

12 A. Not -- there were no other articles  
13 unless they mentioned price only.

14 So it's -- it's one of the --  
15 you know, it's one of the types of news  
16 articles that the St. John's Law Review  
17 articles suggests removing. So if, for  
18 example, if Bloomberg publishes or, you know,  
19 sends out a release that says UTi stock is up,  
20 you know, half a percent today to \$15 a share,  
21 that's not news.

22 Q. How did you identify those items  
23 that mentioned UTi's stock price alone?

24 A. I reviewed the article. I reviewed  
25 the release.

1 Q. So, if there was any commentary no  
2 matter how trivial, did you include the  
3 article as news?

4 A. Describe what you mean by anything  
5 trivial?

6 Q. Sorry, maybe you didn't hear me.

7 If there was any commentary no  
8 matter how trivial, did you include the  
9 article as news?

10 A. Can you give me an example, because  
11 I'm just not sure what you may consider  
12 trivial is what I would consider trivial?

13 Q. How much additional information had  
14 to be included in the article beyond the stock  
15 price for you to include it in your  
16 chronology?

17 A. If it only commented on the stock  
18 price, no other information, it was not  
19 included.

20 Q. If it commented on the stock price  
21 and also mentioned UTi's expected performance,  
22 would it be included?

23 A. Hypothetically?

24 Q. Uh-hum.

25 A. Expected performance by some

1 industry participant or guidance from  
2 management or -- it would be included.

3 Q. Did you perform any analysis to  
4 determine whether the news that you identified  
5 was in fact news as opposed to a further  
6 report of something that had previously been  
7 reported?

8 MR. FEDERMAN: Object to the form of  
9 the question.

10 THE WITNESS: I reviewed each of the  
11 news articles. I did not cherry-pick or  
12 select out news that I thought was of the  
13 type that would necessarily change the  
14 price. So, if it was confirmatory news,  
15 I included it as news.

16 Had I selected news that I thought  
17 was of enough import that it would have  
18 moved to the price, I would bias my  
19 sample.

20 BY MR. CHAPUT:

21 Q. And you said that you performed a  
22 search in Bloomberg; is that right?

23 A. Yes.

24 Q. Why did you use Bloomberg as your  
25 source for public press?

1           A.     Because I have access to it on my  
2     desktop.

3           Q.     Do you have access to any other news  
4     sources?

5           A.     Not without paying a fee.

6           Q.     And you indicate that you included  
7     all analyst reports as archived by Thomson  
8     Reuters; is that right?

9           A.     Yes.

10          Q.     So everything that's listed in your  
11     Exhibit Eight, which is your list of analyst  
12     reports, was categorized as news; is that  
13     right?

14          A.     Not necessarily.

15          Q.     Why not?

16          A.     So there are oftentimes reports that  
17     are archived by Thomson Reuters that are not  
18     analyst reports as you and I would consider an  
19     analyst reports.

20                     There are some investor  
21     services that from time to time will publish  
22     what I would like to call maybe an  
23     informational report, which basically  
24     reiterates, you know, what the company's  
25     earnings were, et cetera, without providing



1 independent professional analysis and  
2 investment recommendations.

3 Q. And did you exclude those  
4 informational reports, as you termed them,  
5 from your event study in this case?

6 A. If there were any in this case, I  
7 likely excluded those.

8 Q. And would you have identified the  
9 reports that you excluded?

10 A. No.

11 Q. Would you have listed them on your  
12 Exhibit Eight, which is your list of analyst  
13 reports?

14 A. Can I look at Exhibit Eight?

15 Q. Yeah, absolutely, of course.

16 MR. FEDERMAN: By Exhibit A, you  
17 mean Defendant's 101?

18 MR. CHAPUT: No. I mean Exhibit  
19 Number Eight to Ms. Jones' expert report.

20 MR. FEDERMAN: Okay.

21 MR. CHAPUT: Which is Exhibit 101 in  
22 the case.

23 MR. FEDERMAN: I just wanted to be  
24 able to make sure everybody is on the  
25 same page when we read the transcript at

1 trial.

2 BY MR. CHAPUT:

3 Q. Understood. And this is part of  
4 docket 103-1 and it starts on Page ID2564.

5 A. So Exhibit Eight lists exactly as we  
6 received it, the reports that Thomson Reuters  
7 has archived.

8 Not each of these reports  
9 appears in the event chronology. For example,  
10 on April 6th there appears to have been a  
11 report by Wright Investors' Service. And I'm  
12 very familiar with the type of report that  
13 that it is, and it's not what I would refer to  
14 as an analyst report.

15 Q. Is SADIF, S-A-D-I-F, Analytics a  
16 company that you would consider that produces  
17 analyst reports?

18 A. It's not one of the companies that  
19 was actively following UTi during this time  
20 period. It's more of an informational report  
21 rather than an analyst report or, you know, an  
22 analyst research report.

23 Q. What is your methodology for  
24 determining whether a particular analyst  
25 report that's listed in this Exhibit Eight is

1 an informational report as opposed to an  
2 analyst report using your terminology?

3 A. So, as a normal part of what I do, I  
4 review analyst reports all the time. I'm very  
5 familiar with them. I'm familiar with the  
6 firms that I just mentioned.

7 I know what their reports are  
8 like. I know the research that goes into  
9 them. I know that -- these analysts are not  
10 the ones that are participating in the  
11 company's earnings calls and asking questions  
12 and providing responsive analyses to different  
13 events happening at the company.

14 So, based on my experience and  
15 my review of millions of analyst reports, I  
16 have, you know, selected the analyst reports  
17 for the analysts that were following the  
18 company actively participating and making  
19 investment recommendations.

20 Q. And does CFRA Research fall into  
21 that same group as SADIF and Wright  
22 Investors'?

23 A. Yes. I believe that's a  
24 subscription-only research outfit.

25 Q. Subscription-only research outfit

1 meaning what?

2 A. So there are some firms that are not  
3 your typical brokerage firm or investment  
4 banking firm that just produce research for  
5 certain subscribers to their database.

6 Q. It's your opinion that research  
7 performed by subscription-only research  
8 outfits is not news for purposes of your event  
9 study?

10 A. I wouldn't necessarily say all. But  
11 my criteria here was to focus on the analyst  
12 reports that were published by companies  
13 actively following the company during this  
14 time period and publishing reports including  
15 earnings estimates and investment  
16 recommendations.

17 I don't want to make a general  
18 statement.

19 Q. So you may have included some  
20 reports by, for example, SADIF, but not  
21 others?

22 A. Here?

23 Q. Yes.

24 A. I'm not sure. I'm not certain.

25 Q. Okay. Well, if you turn to the

1 second page of Exhibit Number Eight to your  
2 report, on the fourth line down, there's a  
3 report by SADIF Analytics. The subtitle is,  
4 is UTi Worldwide, Inc. a good long-term  
5 investment; do you see that?

6 A. Yes.

7 Q. And if you turn to Page 12 of your  
8 report. This is Page 3. Do you see that  
9 SADIF report listed in Exhibit 12?

10 A. No.

11 Q. And if you go back your Exhibit  
12 Eight. About halfway down the page on  
13 September 10th 2013 --

14 A. Yes.

15 Q. -- there is a SADIF Analytics  
16 report, is UTi Worldwide, Inc. a good  
17 long-term investment; do you see that?

18 A. On what date?

19 Q. September 10th.

20 A. Yes.

21 Q. And if you go to Page 5 of your  
22 Exhibit 12, do you see that SADIF report?

23 A. No.

24 Q. And you testified earlier that  
25 Exhibit Number Eight to your report is all of

1 the analyst reports that were listed by  
2 Thomson Reuters; is that right?

3 A. Yes, that's the list that we  
4 received from Thomson Reuters.

5 Q. Are you aware that there are 12  
6 analysts reports on Thomson Reuters that are  
7 not included in Exhibit Eight?

8 A. There may be.

9 Q. Why may there be?

10 A. For reasons we just discussed.

11 Q. That you would have excluded them?

12 A. There may be items listed on the  
13 Thomson Reuters list that are not analysts  
14 reports by analysts that were actively  
15 following the company during this time period.

16 Q. Why would you exclude some reports  
17 by analysts that were not actively following  
18 the company, but not exclude others?

19 A. Can you show me an example of where  
20 I didn't exclude others? I didn't think that  
21 was the case.

22 MR. FEDERMAN: Do you mean to say  
23 exclude as opposed to include because I'm  
24 not following you?  
25

1 BY MR. CHAPUT:

2 Q. Sure. I will rephrase the question.

3 Why would you exclude from your  
4 Exhibit Eight some analysts reports by  
5 analysts that were not actively following the  
6 company, but include some analysts reports by  
7 analysts that were not actively following the  
8 company?

9 MR. FEDERMAN: I'll object to the  
10 question.

11 THE WITNESS: I don't know that  
12 that's the case.

13 BY MR. CHAPUT:

14 Q. Would global data reports fall into  
15 the category of reports by analysts that were  
16 not actively following the company?

17 A. Can you show me a global data  
18 report?

19 Q. Would Market Line reports fall into  
20 the category of reports by analysts that were  
21 not actively following the company?

22 A. I believe so.

23 Q. And we talked before about the fact  
24 that you used Bloomberg to find your news, not  
25 including report analyst reports?

1 A. Correct.

2 Q. Is it your usual approach to use  
3 only Bloomberg to identify news?

4 A. There's no usual approach per se.  
5 So each time you perform an event study, the  
6 application is different essentially guided by  
7 the facts and circumstances.

8 So, for example, in this case,  
9 it's my understanding that the investor  
10 relations file has not been produced at this  
11 time. I would guess that when that file was  
12 actually produced we may have a whole  
13 compendium of news articles and analyst  
14 reports that the company collected.

15 So, in lieu of that additional  
16 information, including the Bloomberg news, is  
17 an objective way to identify news days.

18 Q. Did you assume that Bloomberg would  
19 include all available news during the relevant  
20 period?

21 A. I don't know if I made that  
22 assumption.

23 What I will say is that it  
24 would not surprise me if at this point in time  
25 there may have been news items that were not



1 archived by Bloomberg. However, obtaining all  
2 of the Bloomberg news during time period is an  
3 objective way to identify news days.

4 If I might add to that answer,  
5 as I mentioned previously, there are instances  
6 when you may limit your news days or so-called  
7 news days to just earnings announcement days.  
8 That doesn't mean that on any other day other  
9 than an earnings announcement day there  
10 weren't news items. But that would be an  
11 objective selection criteria as well if you  
12 had, you know, enough earnings announcement  
13 days that you could, you know, feel like you  
14 had a robust sample.

15 Q. And is it your opinion that  
16 Bloomberg provided a robust sample --

17 A. Yes.

18 Q. -- in this case?

19 Have you supplemented Bloomberg  
20 with other databases in other expert reports?

21 MR. FEDERMAN: In this case or other  
22 cases?

23 BY MR. CHAPUT:

24 Q. Have you supplemented Bloomberg with  
25 other databases and expert reports in other

1 cases?

2 A. I can think of, you know, not  
3 specifically, but certainly, there are other  
4 news archive sources that I have used.

5 Q. And why did you not supplement  
6 Bloomberg with one of those, one or more of  
7 those, other news sources in this case?

8 A. It wasn't necessary. I had robust  
9 sample of news day.

10 Q. Would a more comprehensive search  
11 have made your sample more robust?

12 MR. FEDERMAN: Object to the form of  
13 the question.

14 THE WITNESS: Hypothetically, it  
15 could have. I don't know that for a  
16 fact.

17 BY MR. CHAPUT:

18 Q. Hypothetically, if you had  
19 supplemented Bloomberg and Bloomberg did not  
20 cover all news, your classification of news  
21 versus new days -- sorry. I'll start over.

22 Hypothetically, if you had  
23 supplemented Bloomberg and Bloomberg did not  
24 cover all news, your classification of news  
25 versus no news days could change in this case;

1 appears that this analysis in paragraph 58 was  
2 performed in the context of determining market  
3 efficiency; is that correct?

4 A. Yes.

5 Q. And can you explain to me what  
6 analysis you're describing in paragraph 58.

7 A. It is a selection of dates for  
8 analyses in terms of the -- whether there was  
9 significant abnormal returns on dates that  
10 were either alleged to have contained a  
11 misrepresentations or there were partially  
12 curative disclosures.

13 Q. And you told me before that the  
14 statistical significance of excess returns on  
15 alleged misrepresentation days is not relevant  
16 to a determination of market efficiency; is  
17 that right?

18 A. Not in a vacuum.

19 Q. Why did you not perform the same  
20 examination regarding alleged misstatement  
21 days in the case of UTi?

22 A. As I mentioned, each situation  
23 presents a unique set of facts and  
24 circumstances, and I determined that it was  
25 less subjective to include all news days in my

1 analysis of abnormal returns on news days  
2 versus non-news days in this case.

3 So event studies are not one  
4 size fits all. And you've got to adopt your  
5 application criteria to, you know, a certain  
6 time period that you are constrained by, and  
7 the facts and circumstances, the available  
8 data. There are a number of factors that you  
9 would look at in developing a model that  
10 assists you in answering the questions that  
11 you're seeking answers for.

12 Q. But you could have performed a  
13 similar analysis in this case in addition to  
14 your news versus no news event study, correct?

15 A. You could have performed event  
16 studies in a number of different ways, but,  
17 you know, doesn't mean that, you know, one is  
18 more or less relevant.

19 I am very happy with the event  
20 study that I performed here. There's an  
21 objective criteria for including -- or  
22 identifying news days, and the statistics from  
23 that analysis show that the market model that  
24 I developed is robust, it's a reliable  
25 predictor of the returns, expected returns for

1 Because, as you know, these are not just  
2 misrepresentation days that were tested here,  
3 so -- and as I've explained, you wouldn't  
4 expect necessarily to see any abnormal price  
5 return on a misrepresentation -- alleged  
6 misrepresentation day if the misrepresentation  
7 was just a continuation of what the company  
8 said previously. So, for two reasons, I can't  
9 agree with you.

10 Q. How do you define stock returns?

11 MR. FEDERMAN: How do you define  
12 stock returns?

13 MR. CHAPUT: Correct.

14 MR. FEDERMAN: I object to the  
15 question.

16 THE WITNESS: How do I define a  
17 daily stock price return?

18 BY MR. CHAPUT:

19 Q. In paragraph 62 of your report, you  
20 say that you used daily price returns. What  
21 is the definition of daily price returns?

22 A. Thank you. The percentage change in  
23 the price from close to close.

24 Q. When you're using an event study  
25 model, would you need to use returns that

1 include dividends?

2 A. Not if you are trying to ascertain  
3 the change in the price of the stock.

4 So one might include dividends  
5 or interest in common in the case of a  
6 fixed-income security if you are assessing a  
7 performance of your portfolio and you want to  
8 obtain a total return for that particular  
9 investment.

10 Q. Would excluding dividends from the  
11 daily price return of a stock misstate the  
12 value of the stock?

13 MR. FEDERMAN: Object to the form of  
14 the question.

15 THE WITNESS: No.

16 BY MR. CHAPUT:

17 Q. Would ignoring dividends from --  
18 would ignoring dividends in calculating an  
19 index misstate the value of the index?

20 A. It depends what you're trying to  
21 represent in the index. So some indices are  
22 price only and some indices are total return  
23 index. So it depends.

24 Q. In your report, you talk about the  
25 Cammer factors and Krogman factors; is that

1 MR. CHAPUT: Page 43.

2 MR. FEDERMAN: Forty-three.

3 MR. CHAPUT: Footnote 58.

4 THE WITNESS: Oh, yeah, uh-hum.

5 BY MR. CHAPUT:

6 Q. And this chapter of a book explains  
7 the methodology that you believe is  
8 appropriate for calculating damages on a  
9 class-wide basis in this class action; is that  
10 right?

11 A. It's a general -- it's a general  
12 description of a generally accepted  
13 methodology.

14 Q. And does the cited chapter summarize  
15 the methodology that you believe is the  
16 appropriate way to calculate damages on a  
17 class-wide basis in this action?

18 A. I think that I set forth in my  
19 report the methodology, which would be the  
20 application of an event study analysis to  
21 identify alleged inflation per share for each  
22 date during the proposed class period that a  
23 perspective investor may have purchased the  
24 stock.

25 Q. And this Crew chapter also explains

1     how to use an event study to do a similar  
2     analysis; is that right?

3           A.     Yes, they -- generally, yes.

4           Q.     And in your opinion, the out of  
5     pocket loss calculation using an event study  
6     is the most appropriate methodology to use to  
7     calculate damages on a class-wide basis in  
8     this case; is that right?

9           A.     I think it depends on the ultimate  
10    finding of liability. But, given the  
11    allegations here, I believe that this is a  
12    reliable methodology for ascribing damages in  
13    this case.

14          Q.     And what experience did you draw on  
15    to form that opinion?

16          A.     I have calculated potential investor  
17    damages in hundreds of litigations such as  
18    this one. I am also frequently retained by  
19    the SEC to develop plans of allocation in  
20    their disgorgement proceedings, and it's a  
21    methodology that I also employ there.

22          Q.     And you described this methodology  
23    as being generally accepted and widely used;  
24    is that correct?

25          A.     Yes.



1 Q. And what's the basis for that  
2 opinion?

3 A. The methodology has been adopted and  
4 implemented in developing and administering  
5 plans of allocation and settlement proceeds in  
6 most, if not all, of the securities class  
7 actions that have been resolved in my  
8 experience over the last 25 years.

9 Q. So this methodology that you set  
10 forth is consistent with methodologies you've  
11 used in developing and administering plans of  
12 allocation and settlement proceeds in class  
13 actions?

14 A. Yes. It's also been the basis for  
15 preliminary damages analyses that have been  
16 used in a mediation context to help resolve  
17 the issue of damages in cases where they've  
18 gone to mediation, both sides have presented  
19 findings with regard to damages, and a  
20 settlement was negotiated.

21 Q. Have you been involved in any cases  
22 in which this methodology was ultimately used  
23 to determine damages after a finding of  
24 liability at trial?

25 A. I have never testified at trial.

1 Q. Are you aware of any cases in which  
2 this methodology was ultimately used to  
3 determine damages after a finding of liability  
4 at trial?

5 A. I don't believe so. I don't know  
6 anything specific.

7 Q. With respect to the ability to  
8 calculate class-wide damages, you say that you  
9 determine the amount of artificial inflation  
10 using the event study methodology; is that  
11 right?

12 A. Yes.

13 Q. And you say that you will have to  
14 isolate that portion of the price impact that  
15 was attributed to certain corrective  
16 disclosures; is that right

17 A. That is correct.

18 Q. And you say that the amount of  
19 artificial inflation in the price of the stock  
20 can be determined on a daily basis using the  
21 historical pricing data; is that right?

22 A. That's right.

23 Q. And then you indicate that once you  
24 determine the amount of artificial inflation  
25 you will to apply to it to class members

1 actual purchase and sale activity, and  
2 individual losses can be calculated using a  
3 single common formula consistent with  
4 Plaintiff's theory of liability, correct?

5 A. Correct.

6 Q. Have you done any of that work?

7 A. No.

8 Q. How can you be sure that the  
9 out-of-pocket methodology that you describe to  
10 calculate damages will be useful or even  
11 workable if you have not attempted to  
12 implement that methodology?

13 MR. FEDERMAN: Object to the form of  
14 the question. Mischaracterizes the  
15 testimony.

16 THE WITNESS: The facts and  
17 circumstances here and the stock price  
18 behavior here following the alleged  
19 corrective disclosures is consistent with  
20 facts and circumstances that have been  
21 used, you know, in other cases where this  
22 methodology was applied.

23 BY MR. CHAPUT:

24 Q. But you aren't aware of any cases in  
25 which this methodology was applied to

1 calculate damages after a finding of  
2 liability, correct?

3 A. I can't -- well, in the SEC matters  
4 in which I've been a consultant, there is  
5 necessarily a finding of liability before I am  
6 brought in to develop a damages model to  
7 allocate the disgorgement proceeds. So, you  
8 know, in those circumstances, yes, I am aware  
9 and, yes, this methodology has been used.

10 Q. When you describe how you plan to  
11 calculate damages, you indicate that you will  
12 also use company-specific information that is  
13 relevant to the allegations in this case; is  
14 that right?

15 A. I have not yet been asked to do  
16 that, so I have no plan per se.

17 Q. When you describe how you could  
18 calculate damages, you indicate that you will  
19 also use company-specific information that is  
20 relevant to the allegations in this case; is  
21 that right?

22 A. That would potentially inform my  
23 analysis, yes.

24 Q. And what does that mean?

25 A. So, as I described, the event study

1 is, you know, based on publicly available data  
2 and information that enters the market about  
3 the common stock here. I would imagine that  
4 once discovery has been completed, there may  
5 be other companies' specific information that  
6 might inform the methodology in terms of  
7 parsing out that portion of the price decline  
8 related to Plaintiff's allegations as opposed  
9 to what I will term "confounding information"  
10 that's unrelated to the allegations here.

11 Q. And how is the event study used to  
12 sort out the confounding information from the  
13 corrective disclosure?

14 A. The event study may not be used to  
15 necessarily parse out that portion of  
16 information. So there are other methodologies  
17 that may be implied including, for example,  
18 looking at changes in earnings expectations or  
19 the consensus earnings estimates of the  
20 analysts following the company before and  
21 after the corrective disclosure.

22 Q. But you don't describe any of those  
23 potential analyses in your report, correct?

24 A. I describe the standard methodology  
25 for calculating out-of-pocket damages here,

1 which is to first and foremost start with an  
2 event study that isolates companies'  
3 perspective price movements from those price  
4 movements that might be caused by market or  
5 industry factors that would be unrelated and  
6 certainly unrecoverable as damages.

7 Q. But you don't describe any  
8 methodology for sorting out confounding  
9 information from that company-specific  
10 information that is accounted for in the event  
11 study?

12 A. Right, not in detail.

13 Q. Not in detail, or not at all?

14 A. So I believe the sentence is the  
15 level of inflation in the price of UTi common  
16 stock can be calculated using the results of  
17 an event study along with company-specific  
18 information that is relevant to the  
19 allegations in the instant case.

20 So it's not just the event  
21 study, but there would be an additional part  
22 of the analysis that would look at  
23 company-specific information that's relevant  
24 to the allegation. So, in the broader  
25 context, yes, that's described here.

1                   The event study is not the  
2     penultimate methodology for coming up with the  
3     per share damages. If it's found that there  
4     are confounding events, there are ways to  
5     isolate the portion that's related to the  
6     allegations.

7                   MR. CHAPUT: We've been going for  
8     another hour. Would you like to take a  
9     break?

10                  THE WITNESS: Sure.

11                  MR. FEDERMAN: Take a break. All  
12     right?

13                  MR. CHAPUT: We can go off the  
14     record.

15                  THE VIDEOGRAPHER: This marks the  
16     end of tape number two. We're going off  
17     the record at 12:19 p.m.

18                                 -     -     -

19                                 (Whereupon, a short recess  
20     was taken.)

21                                 -     -     -

22                  THE VIDEOGRAPHER: This marks the  
23     start of tape number three. We're back  
24     on the record at 12:32 p.m.

25                                 -     -     -

1 (Whereupon, Exhibit 105 was  
2 marked for identification.)

3 - - -

4 BY MR. CHAPUT:

5 Q. Ms. Jones, you've been handed what  
6 we've marked as Exhibit 105, which is a Form  
7 8-K for UTi Worldwide, Inc. The date of  
8 report is February 25th 2014.

9 Have you seen this document  
10 before?

11 A. I have.

12 Q. Did you review this document in  
13 reaching your conclusions in your report?

14 A. Just to the extent that it contained  
15 information that entered the market, yes.

16 Q. And did you consider this document  
17 in determining whether class-wide damages are  
18 subject to a common methodology in this case?

19 A. Not specifically.

20 Q. If you would turn with me to Page 3.  
21 There are page numbers both at the top and the  
22 bottom. I'm referring to the number on the  
23 bottom.

24 A. Okay.

25 Q. And the first sentence under



1 overview reads, in fiscal year 2014, we  
2 experienced the effects of a lackluster global  
3 economy along with difficult operating  
4 conditions as reflected in our preliminary  
5 results described below; do you see that?

6 A. Yes.

7 Q. We were talking before about  
8 information that might be relevant to  
9 investors. Do you think this information  
10 would be relevant to investors?

11 A. Yes.

12 Q. Do you think that this information  
13 would be considered confounding information  
14 just like we were talking just before our last  
15 break?

16 A. Confounding in what way, confounding  
17 to -- to what other information?

18 Q. Confounding in the context of  
19 calculating damages in this case.

20 A. I'm not sure I would necessarily  
21 characterize it as confounding, but I  
22 certainly think that it's a piece of  
23 information that one would want to consider in  
24 developing a damages methodology or a  
25 damages -- quantifying damages.

1 Q. And why would you not characterize  
2 it as confounding?

3 A. Because it's not new at the time  
4 that the other corrective disclosures were  
5 made. It's not something that suddenly  
6 happened.

7 So, as it says here, throughout  
8 the entire year, we've experienced the effects  
9 of a lackluster global economy. It does not  
10 say we just discovered at this very moment  
11 that we've been subject to a lackluster global  
12 economy.

13 Q. If you turn to Page 5, the second  
14 full paragraph, the first sentence reads,  
15 revenues and net revenues for the fourth  
16 quarter and fiscal year 2014 reflect a  
17 lackluster global economy and difficult  
18 operating conditions.

19 Is that a piece of information  
20 that would be relevant to investors?

21 A. Certainly.

22 Q. Is that a piece of information that  
23 could be confounding information when  
24 calculating damages in this case?

25 A. Not necessarily.

1 Q. Why not?

2 A. Hypothetically, the analysts would  
3 have taken those conditions into account in  
4 forming their earnings estimates for this  
5 company in the fourth quarter.

6 Q. Have you determined that analysts  
7 did take those conditions into account in  
8 forming their earnings estimates for UTi in  
9 the fourth quarter of fiscal year 2014?

10 A. I have not yet done any such damages  
11 analysis.

12 Q. If you look at the following page,  
13 under the heading matters impacting first  
14 fiscal quarter 2015; do you see that?

15 A. Yes.

16 Q. And the second sentence reads, in  
17 addition to normal seasonality issues, we  
18 believe our operating results for the first  
19 fiscal quarter of 2015 will be negatively  
20 impacted by the continued effect of a number  
21 of factors that affected our fiscal 2014  
22 results, including pricing pressures,  
23 severance costs associated with our ongoing  
24 business transformation initiative, increase  
25 in receivables, amortization associated with

1 our lView system, which began in  
2 September 2013, and our higher than  
3 historically normalized tax rate.

4 Do you see that?

5 A. Yes.

6 Q. Would that information be considered  
7 relevant to investors?

8 A. Yes.

9 Q. And could that be confounding  
10 information in calculating damages in this  
11 case?

12 A. To the extent, hypothetically, that  
13 it's new or different information that is  
14 revealed at the same time that the alleged  
15 corrective disclosures are made.

16 Q. And is it your understanding that  
17 the alleged corrective disclosures were made  
18 on February 25th of 2014?

19 A. I thought it was the 26th, but I  
20 could be wrong. I believe this was filed on  
21 the morning of the 26th. I could be mistaken,  
22 but that's my recollection.

23 Q. Certainly. If this was filed on the  
24 morning of the 26th at the same time as the  
25 alleged corrective disclosures were made, then

1 would that mean that this information on Page  
2 6 would be confounding information in  
3 calculating damages in this case?

4 A. Not necessarily.

5 Q. Why not?

6 A. If --

7 MR. FEDERMAN: Object to the form of  
8 the question. She said she hasn't done a  
9 damages analysis; you realize that,  
10 right?

11 THE WITNESS: It depends whether  
12 this information is inconsistent with  
13 expectations that are already priced into  
14 the stock.

15 BY MR. CHAPUT:

16 Q. Further down in that same paragraph,  
17 there's a sentence, our results will also  
18 likely be negatively impacted by the South  
19 African Rand to U.S. dollar exchange rate; do  
20 you see that?

21 A. Yes.

22 Q. And do you think that piece of  
23 relevant -- excuse me, do you think that this  
24 piece of information is relevant information?

25 A. It's relevant.

1 Q. And is it potentially confounding  
2 information in calculating damages in this  
3 case?

4 MR. FEDERMAN: Object to the form of  
5 the question.

6 We're not going to continue going  
7 down this road unless this is the one  
8 deposition you're going to take of the  
9 witness and you're waiving taking a  
10 second deposition after she provides an  
11 analysis and report on damages. You're  
12 not getting two cracks at one witness on  
13 the same subject matter.

14 MR. CHAPUT: The witness has  
15 provided an opinion regarding whether it  
16 would be possible to calculate damages on  
17 a class-wide basis in this case. And my  
18 question asks whether this piece of  
19 information is potentially confounding  
20 information, which she has already stated  
21 could be relevant to the calculation of  
22 damages on a class-wide basis.

23 MR. FEDERMAN: You're not asking  
24 about the methodology, though. That's  
25 what you're missing. To restrict it that

1 way, that's different.

2 You're being -- you're not as broad  
3 in your questioning as I think you intend  
4 to be. If you're questioning her about  
5 her methodology, that's one thing.  
6 That's what she opined to.

7 But if you're going to start getting  
8 involved in what are the components of  
9 the damages analysis that she's not  
10 performed that she's not appearing to  
11 testify on today, that's something else.  
12 That's the distinction I'm making for  
13 you. It's your deposition, your  
14 opportunity.

15 BY MR. CHAPUT:

16 Q. We can move on for now.

17 In your opinion in this case,  
18 do you think the excess return on  
19 February 26th 2014 should be the inflation for  
20 all class members throughout the entire  
21 period?

22 A. I haven't studied that.

23 Q. According to the methodology that  
24 you describe in your report, would the excess  
25 return on February 26th 2014 be the inflation

1 for all class members throughout the entire  
2 class period?

3 A. I haven't studied that.

4 Q. To be clear, I'm not asking whether  
5 you studied it.

6 I'm asking whether if you were  
7 to apply the methodology that you describe in  
8 your report, the excess return on  
9 February 26th 2014 would be the inflation for  
10 all class members throughout the entire class  
11 period?

12 A. The excess return on February 26th  
13 2014 may give rise to a calculation of damages  
14 on a class-wide basis.

15 However, without having studied  
16 it, I wouldn't want to limit my answer to the  
17 excess returns on that particular date only,  
18 nor would I want to indicate the quantum of  
19 the excess return on that date that may be  
20 related to a finding of liability.

21 Q. Is it your opinion that under this  
22 methodology you describe the artificial  
23 inflation would be constant throughout the  
24 class period?

25 A. Not necessarily.



1 Q. So it's possible that the inflation  
2 could change over the class period?

3 A. The damages necessarily flow from  
4 liability, so the damage model would have to  
5 be structured in lockstep with liability.

6 Q. Does the methodology you describe in  
7 your opinion explain how you could calculate  
8 artificial inflation that changed over the  
9 course of the class period?

10 A. Not specifically. However, it does  
11 say along with company-specific information  
12 that is relevant to the allegations in the  
13 instance case.

14 It does not elaborate and say  
15 this potentially includes, you know, changing  
16 inflation throughout the class period  
17 depending upon, you know, what the trier of  
18 fact finds as the liability.

19 Q. Does your opinion explain  
20 methodologies that might be used to determine  
21 artificial inflation that changes throughout  
22 the class period?

23 A. It explains the standard  
24 methodology. It doesn't detail the  
25 application of that methodology to a number of

1 different potential scenarios on liability.

2 Q. Does the standard event study  
3 methodology you describe -- let me rephrase.

4 Can the standard event study  
5 methodology you describe on its own determine  
6 artificial inflation that changes throughout  
7 the class period?

8 A. What do you mean "on its own"?

9 Q. If you were to apply the event study  
10 methodology without additional further  
11 analysis, could you determine artificial  
12 inflation that changes throughout the class  
13 period?

14 A. Hypothetically, if we were dealing  
15 with a securities case where it was alleged  
16 that there were -- or it was found that there  
17 were numerous partially curative disclosures  
18 throughout the class period, then the event  
19 study methodology could be used to quantify  
20 damages in that case where the inflation may  
21 change throughout the -- the class period.

22 Q. Is it your understanding that there  
23 are numerous partially curative disclosures in  
24 this case?

25 A. I haven't studied that. I haven't

1 performed a damage analysis here.

2 Q. Based on your review of the  
3 complaint, is it your understanding that there  
4 are numerous partially curative disclosures  
5 alleged in this case?

6 A. I don't recall.

7 Q. Do you believe that the same  
8 information that was conveyed on the alleged  
9 corrective disclosure date could have been  
10 conveyed on the first day of the class period?

11 MR. FEDERMAN: Object to the form of  
12 the question. It asks the witness to  
13 speculate.

14 THE WITNESS: I have no idea.

15 MR. CHAPUT: We can go off the  
16 record.

17 MR. FEDERMAN: Sure.

18 THE VIDEOGRAPHER: Going off the  
19 record at 12:49 p.m.

20 - - -

21 (Whereupon, a short recess  
22 was taken.)

23 - - -

24 THE VIDEOGRAPHER: We are back on  
25 the record at 1:00 p.m.